



# United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

FEB 25 2020

The Honorable Lisa Murkowski  
Chairman  
Committee on Energy and Natural Resources  
United States Senate  
Washington, D.C. 20510

Dear Chairman Murkowski:

Enclosed are responses prepared by the Department to questions for the record submitted following the November 21, 2019, hearing on the Payment In Lieu of Taxes (PILT) program, the Secure Rural Schools (SRS) program, and on S. 2108, the *Small County PILT Parity Act*.

Thank you for the opportunity to provide this material to the Committee.

Sincerely,

Christopher P. Salotti  
Legislative Counsel  
Office of Congressional and  
Legislative Affairs

Enclosure

cc: The Honorable Joe Manchin III, Ranking Member  
Committee on Energy and Natural Resources

**Questions for the Record**  
**Senate Committee on Energy and Natural Resources**  
**Federal Payments to Local Governments**  
**provided through the Secure Rural Schools and Payments in Lieu of Taxes Programs**  
**and S. 430, S. 1643 and S. 2108**  
**November 21, 2019**

**Question from Chairman Lisa Murkowski**

**Question:** Understanding that anticipating projected PILT payments is a difficult task, please provide an estimate of the impact of S. 2108 for payments for the State of Alaska (at the borough and census area level) for FY 2019, had the bill been enacted at the time payments were distributed.

**Response:** Including the same variables used to calculate 2019 PILT payments and applying the new population values, the overall payment to the State of Alaska would increase by approximately \$571,000. The table below provides estimated adjustments at the local government level.

<b><u>LOCAL GOVERNMENT</u></b>	<b><u>EST. PAYMENT INCREASE</u></b>
ALEUTIANS EAST BOROUGH	\$7,287
BRISTOL BAY BOROUGH	\$13,098
DENALI BOROUGH	\$74,338
HOONAH-ANGOON CENSUS AREA	\$61,102
LAKE & PENINSULA BOROUGH	\$158,971
MUNICIPALITY-SKAGWAY	\$38,520
PETERSBURG BOROUGH	\$23,878
WRANGELL BOROUGH	\$152,666
YAKUTAT BOROUGH	\$41,012
<b>TOTAL</b>	<b>\$570,872</b>

Note: Due to the variability of program inputs, these estimates are provided for order of magnitude only and do not fully indicate the impact of this legislation on future payments.

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**November 21, 2019**

**Questions from Ranking Member Joe Manchin III**

**Question 1: As I understand it, S. 2108, the *Small County PILT Parity Act*, would increase the authorization level for the PILT program and modify the formula for distributing PILT payments. If funding for PILT remains flat (in other words if Congress doesn't appropriate additional funding to cover the difference between full funding at the current authorization level and the increased authorization level), how would the payments to West Virginia counties be impacted?**

**Response:** Payments are calculated annually based on statutory formula inputs described in 31 U.S.C. 69. If Congress appropriates a fixed dollar amount for PILT that is less than the sum of total calculated payments under the PILT formula for a given fiscal year, then the amount paid to each municipality is based on a pro rata share of the total appropriated funding for that year (less program administrative expenses). So legislation that would increase the authorized PILT payments for select local governments would result in a corresponding decrease in the available funds to be paid to all other local governments receiving PILT payments that year.

In a "full funding" situation, such as Congress enacted in FY 2019, the Department issues the amount of the full statutory calculation less \$400,000 for administrative costs. In such a scenario, each local government, including West Virginia counties, would receive the full payment with no funding limit (less a proportionate share of administrative expenses).

**Question 2: The Administration testified that it does not support S. 1643, the *Forest Management for Rural Stability Act*, which would set up a new program to pay out Secure Rural Schools payments and Refuge Revenue payments. Would the Administration be supportive of a legislative effort to combine Refuge Revenue payments with PILT payments? Would that lessen the Administrative burden on the agency?**

**Response:** Refuge Revenue payments and PILT payments are managed by two different parts of the Department. The U.S. Fish and Wildlife Service maintains the personnel and systems required to collect data, manage program requirements, and issue Refuge Revenue payments, while Interior's Office of Budget maintains the personnel and systems required to collect data, manage program requirements, and issue PILT Payments. A full analysis of both programs would be required to determine whether combining the two programs would create any efficiencies or reduce Administrative burden.

**Question 3: S. 2108, the *Small County PILT Parity Act*, would modify the PILT formula and change the amount of funding distributed under the program for certain counties. The counties that would be**

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**impacted are counties with populations of less than 5,000 individuals and whose payments are subject to the population cap, under the PILT formula.**

- a. How many counties have a population under 5,000 and are subject to the population cap (and would have their funding changed should S. 2108 be enacted)?**

**Response:** The table below reflects estimates based on FY 2019 program data inputs. Due to the variability of program inputs from year to year, the actual number of affected counties may differ from these figures and may change over time.

<b>DESCRIPTION</b>	<b># of COUNTIES</b>
Counties with <5,000 population	302
Counties with <5,000 population with payments changes under S. 2108	46
Counties with <5,000 population subject to population cap with payments changes under S. 2108	43

- b. Please provide us a table listing the counties whose payments would be impacted; the amount of PILT funding each impacted county actually received in 2017, 2018, and 2019; and the re-calculated amount of PILT funding each impacted county would have received in 2017, 2018, and 2019 if S. 2108 was previously enacted?**

**Response:** Attachment A displays the information requested for each PILT payment year. Please note the following:

1) The FY 2017 PILT program was subject to fixed appropriations of \$465 million, so the estimated increases associated with S .2108 would cause a corresponding decrease (~0.5%) in available funds to be paid to other local governments receiving PILT payments in that year. The offsetting reductions are not reflected in this table.

2) FY 2018 PILT estimates reflect the lack of authorization of the Secure Rural Schools program and are generally higher than FY 2017 and FY 2019.

The population dollar values used in producing these estimates were deflated from the 2019 values reflected in S. 2108 based on the actual Consumer Price Index (CPI) in use for the PILT program in that year (2.25% for FY 2019, 1.84% for FY 2018). The dollar values used in the computations are shown in the table below for reference:

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<b>POPULATION</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
1,000	\$ 244.31	\$ 248.80	\$ 254.40
2,000	\$ 221.51	\$ 225.58	\$ 230.66
3,000	\$ 203.59	\$ 207.33	\$ 212.00
4,000	\$ 190.56	\$ 194.06	\$ 198.43
5,000	\$ 179.15	\$ 182.45	\$ 186.56

Note: Due to the variability of program inputs, program impact estimates provide order of magnitude only and may not fully indicate the impact of this legislation on future payments.

- c. Of the impacted counties listed above, which counties would receive less funding if S. 2108 was enacted, even if Congress appropriated funding at the new increased authorization level?**

**Response:** Based on FY 2019 payment information, the Department estimates enactment of S. 2108 would cause a decreased PILT payment for the counties listed below:

<b>STATE</b>	<b>LOCAL GOVERNMENT</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
AK	HAINES BOROUGH		-\$4,232	
ID	ONEIDA COUNTY	-\$7,830	-\$16,128	-\$32,156
NM	HILDAGO COUNTY	-\$33,256	-\$8,654	-\$9,414
NM	CATRON COUNTY	-\$11,139		
NV	MINERAL COUNTY		-\$35,455	
UT	PIUTE COUNTY		-\$18,659	-\$10,507

Under the current PILT statute, payments for counties with populations below 5,000 are calculated using the actual population times the population dollar value for 5,000. So, for example, in 2019 Oneida County has a population of 4,427 and the 5,000 population dollar value is \$186.56, making their population cap amount \$825,901.12.

S. 2108 requires all counties be rounded to the nearest population segment and then calculate the dollar value. In the case of Oneida County in 2019, for example, their population (4,427) rounds down to 4,000 before being multiplied by the higher population dollar value of \$198.43. Under S. 2108, their population cap is \$793,720.00, which lowers their PILT payment.

- d. If S. 2108 was enacted, how much would you predict it would increase the PILT program's authorization level for FY 20?**

**Response:** The FY 2020 calculation is not yet available. The PILT calculation is driven by four key variables: 1) prior year payments; 2) inflation; 3) acreage; and 4) population. Updates to each of these

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variables are required to be collected on an annual basis. The Department is currently initiating the FY 2020 program and anticipates having calculations available in time to issue payments before July 1<sup>st</sup>.

Based on FY 2019 payment information, the Department estimates enactment of S. 2108 would have increased the total authorized level for 2019 PILT payments by approximately \$2.0 million.

**Question 4: During the hearing, a couple of my colleagues asked about the impact that the expiration of Secure Rural Schools program would have on counties' PILT payments. How would counties' payments change if Secure Rural Schools was not authorized and if Congress appropriated the same level of funding for PILT for FY 20 and FY 21 as it did for FY 19? Would urban counties receive higher payments and rural counties receive lower payments under this scenario because of the difference between appropriated funding and the increased authorization level?**

**Response:** The expiration of Secure Rural Schools (SRS) in FY 2018 does not impact the FY 2020 PILT payment, because the final authorized payment for SRS was made in FY 2019. Payments made under SRS in one year (e.g. 2019) are deductible under the PILT program the following year (e.g. 2020).

If SRS payments are not made in FY 2020, the Department would expect the overall PILT payment calculation for FY 2021 to increase. PILT variables change the statutory calculation annually, but for reference, the full statutory calculation increased by 18.7% between FY 2017 (which included deductions for SRS payments) and FY 2018 (which did not).

In FY 2019, Congress provided full funding for the PILT program. In a full funding scenario, the Department would issue the full statutory calculation less the \$400,000 retained by the Department for the program's administrative expenses. If Congress provided full funding in FY 2020 and FY 2021, the Department would pay out the full statutory calculation less administrative expenses. The full statutory calculation would be increased by approximately \$2 million with passage of S. 2108. The full statutory calculation in FY 2021 would also be expected to increase if SRS payments were not issued during FY 2020. In this full funding scenario, regardless of the level of the statutory calculation, each local government receives the full payment (less a proportionate share of administrative expenses), regardless of their status as "urban" or "rural."

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**Questions from Senator Steve Daines**

**Questions: Due to the complexity of the PILT formula and the fluctuations in prior year payments, assessing the positive impact on small counties that my bipartisan Small County PILT Parity Act will have can be difficult. Because the Department has the most up-to-date information, would you provide the committee and myself with the following information for counties with populations less than 5,000:**

- a. Projected FY19 payments had S. 2108 been enacted before payments were dispersed.**

**Response:** The table below reflects estimates based on FY 2019 program data inputs.

<b>DESCRIPTION</b>	<b># of COUNTIES</b>
Counties with <5,000 population	302
Counties with <5,000 population with payments changes under S. 2108	46

The table in Attachment B shows the estimated impact of S. 2108 for the 46 counties with populations of less than 5,000 and anticipated payment changes.

- b. Projected FY20 payments if Secure Rural Schools is not reauthorized, assuming enactment of S. 2108 (to the maximum extent practicable).**

**Response:** The FY 2020 calculation is not yet available. The PILT calculation is driven by four key variables: 1) prior year payments; 2) inflation; 3) acreage; and 4) population. Updates to each of these variables are required to be collected on an annual basis. If SRS payments are not made in FY 2020, the Department would expect the overall PILT payment calculation for FY 2021 to increase. For reference, the full statutory calculation increased by 18.7% between FY 2017 (which included deductions for SRS payments) and FY 2018 (which did not).

The expiration of SRS in FY 2018 does not impact the FY 2020 PILT payment, because the final authorized payment for SRS was made in FY 2019. Payments made under SRS in one year (e.g. 2019) are deductible under the PILT program the following year (e.g. 2020).

- c. Projected FY20 payments if Secure Rural Schools is reauthorized, assuming enactment of S. 2108 (to the maximum extent practicable).**

**Response:** The FY 2020 calculation is not yet available. The PILT calculation is driven by four key variables: 1) prior year payments; 2) inflation; 3) acreage; and 4) population. Updates to each of these variables are required to be collected on an annual basis. PILT program growth is not standardized from one year to the next because these variables adjust independently. The Department estimates the passage of S.

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2108 would increase the statutory calculation by \$2 million over and above the normal program growth factors.



Estimated 2017 Impacts of S.2108

	STATE	COUNTY	2017 ACTUAL PILT PAYMENT	2017 PAYMENT CALCULATED USING ALT POP VALUES	DELTA
1	ALASKA	YAKUTAT BOROUGH	\$ 109,505	\$ 148,649	\$ 39,144
2	ALASKA	BRISTOL BAY BOROUGH	\$ 159,345	\$ 166,665	\$ 7,320
3	ALASKA	MUNICIPALITY-SKAGWAY	\$ 171,746	\$ 225,500	\$ 53,754
4	ALASKA	LAKE & PENINSULA BOROUGH	\$ 279,210	\$ 439,729	\$ 160,519
5	ALASKA	DENALI BOROUGH	\$ 342,806	\$ 439,729	\$ 96,923
6	ALASKA	HOONAH-ANGOON CENSUS AREA	\$ 381,034	\$ 439,729	\$ 58,695
7	ALASKA	WRANGELL BOROUGH	\$ 425,515	\$ 439,729	\$ 14,214
8	ALASKA	HAINES BOROUGH	\$ 353,000	\$ 461,763	\$ 108,763
9	ALASKA	PETERSBURG BOROUGH	\$ 567,532	\$ 606,233	\$ 38,701
10	ALASKA	ALEUTIANS EAST BOROUGH	\$ 596,828	\$ 606,233	\$ 9,405
11	CALIFORNIA	SIERRA COUNTY	\$ 159,632	\$ 217,278	\$ 57,646
12	COLORADO	SAN JUAN COUNTY	\$ 79,946	\$ 80,687	\$ 741
13	COLORADO	MINERAL COUNTY	\$ 129,691	\$ 176,051	\$ 46,360
14	COLORADO	HINSDALE COUNTY	\$ 138,365	\$ 187,790	\$ 49,425
15	IDAHO	CLARK COUNTY	\$ 157,201	\$ 213,396	\$ 56,195
16	IDAHO	BUTTE COUNTY	\$ 329,995	\$ 447,984	\$ 117,989
17	IDAHO	ADAMS COUNTY	\$ 208,457	\$ 280,721	\$ 72,264
18	IDAHO	CUSTER COUNTY	\$ 730,092	\$ 756,577	\$ 26,485
19	IDAHO	ONEIDA COUNTY	\$ 690,360	\$ 682,530	\$ (7,830)
20	MONTANA	PETROLEUM COUNTY	\$ 84,853	\$ 115,185	\$ 30,332
21	MONTANA	PRAIRIE COUNTY	\$ 158,456	\$ 171,315	\$ 12,859
22	MONTANA	CARTER COUNTY	\$ 210,792	\$ 218,049	\$ 7,257
23	MONTANA	GARFIELD COUNTY	\$ 234,730	\$ 242,495	\$ 7,765
24	MONTANA	MCCONE COUNTY	\$ 286,247	\$ 425,395	\$ 139,148
25	MONTANA	MEAGHER COUNTY	\$ 179,537	\$ 228,968	\$ 49,431
26	MONTANA	JUDITH BASIN COUNTY	\$ 263,528	\$ 359,570	\$ 96,042
27	MONTANA	SWEET GRASS COUNTY	\$ 541,699	\$ 649,599	\$ 107,900
28	MONTANA	PHILLIPS COUNTY	\$ 511,406	\$ 524,313	\$ 12,907
29	NEBRASKA	THOMAS COUNTY	\$ 103,524	\$ 147,288	\$ 43,764
30	NEBRASKA	SIOUX COUNTY	\$ 222,571	\$ 229,871	\$ 7,300
31	NEVADA	ESMERALDA COUNTY	\$ 148,090	\$ 201,028	\$ 52,938
32	NEVADA	EUREKA COUNTY	\$ 360,133	\$ 439,729	\$ 79,596
33	NEW HAMPSHIRE	HARTS LOCATION TOWN	\$ 7,324	\$ 9,943	\$ 2,619
34	NEW HAMPSHIRE	ELLSWORTH TOWN	\$ 14,826	\$ 20,127	\$ 5,301
35	NEW HAMPSHIRE	WATERVILLE VALLEY	\$ 43,945	\$ 59,654	\$ 15,709
36	NEW HAMPSHIRE	CHATHAM TOWN	\$ 60,022	\$ 76,324	\$ 16,302
37	NEW MEXICO	HARDING COUNTY	\$ 122,233	\$ 166,817	\$ 44,584
38	NEW MEXICO	CATRON COUNTY	\$ 617,372	\$ 606,233	\$ (11,139)
39	NEW MEXICO	HIDALGO COUNTY	\$ 728,804	\$ 695,548	\$ (33,256)
40	SOUTH DAKOTA	HARDING COUNTY	\$ 213,504	\$ 229,724	\$ 16,220
41	TEXAS	KENEDY COUNTY	\$ 72,705	\$ 98,695	\$ 25,990
42	UTAH	DAGGETT COUNTY	\$ 138,513	\$ 183,172	\$ 44,659
43	UTAH	PIUTE COUNTY	\$ 246,314	\$ 415,162	\$ 168,848
44	UTAH	RICH COUNTY	\$ 412,832	\$ 439,729	\$ 26,897
45	UTAH	WAYNE COUNTY	\$ 480,893	\$ 501,629	\$ 20,736
46	VERMONT	SEARSBURG TOWN	\$ 19,114	\$ 20,349	\$ 1,235
47	VERMONT	STRATTON TOWN	\$ 37,514	\$ 47,532	\$ 10,018
48	VERMONT	MOUNT TABOR TOWN	\$ 45,731	\$ 62,078	\$ 16,347
	<b>TOTAL</b>		<b>\$ 12,577,472</b>	<b>\$ 14,602,494</b>	<b>\$ 2,025,022</b>

**Estimated 2018 Impacts of S.2108**

	<b>STATE</b>	<b>COUNTY</b>	<b>2018 ACTUAL PILT PAYMENT</b>	<b>2018 PAYMENT CALCULATED USING ALT POP VALUES</b>	<b>DELTA</b>
1	ALASKA	YAKUTAT BOROUGH	\$ 109,565	\$ 149,414	\$ 39,849
2	ALASKA	BRISTOL BAY BOROUGH	\$ 163,710	\$ 170,934	\$ 7,224
3	ALASKA	MUNICIPALITY-SKAGWAY	\$ 195,873	\$ 246,131	\$ 50,258
4	ALASKA	LAKE & PENINSULA BOROUGH	\$ 284,761	\$ 450,816	\$ 166,055
5	ALASKA	DENALI BOROUGH	\$ 356,043	\$ 450,810	\$ 94,767
6	ALASKA	HOONAH-ANGOON CENSUS AREA	\$ 378,829	\$ 450,807	\$ 71,978
7	ALASKA	WRANGELL BOROUGH	\$ 439,538	\$ 450,803	\$ 11,265
8	ALASKA	HAINES BOROUGH	\$ 426,976	\$ 422,744	\$ (4,232)
9	ALASKA	PETERSBURG BOROUGH	\$ 574,079	\$ 621,501	\$ 47,422
10	ALASKA	ALEUTIANS EAST BOROUGH	\$ 600,878	\$ 621,499	\$ 20,621
11	CALIFORNIA	SIERRA COUNTY	\$ 435,825	\$ 520,075	\$ 84,250
12	COLORADO	SAN JUAN COUNTY	\$ 118,057	\$ 164,071	\$ 46,014
13	COLORADO	MINERAL COUNTY	\$ 133,447	\$ 181,981	\$ 48,534
14	COLORADO	HINSDALE COUNTY	\$ 143,758	\$ 196,004	\$ 52,246
15	IDAHO	CLARK COUNTY	\$ 156,782	\$ 213,803	\$ 57,021
16	IDAHO	CAMAS COUNTY	\$ 168,434	\$ 210,328	\$ 41,894
17	IDAHO	BUTTE COUNTY	\$ 450,209	\$ 615,775	\$ 165,566
18	IDAHO	ADAMS COUNTY	\$ 701,284	\$ 765,923	\$ 64,639
19	IDAHO	CUSTER COUNTY	\$ 746,722	\$ 775,627	\$ 28,905
20	IDAHO	ONEIDA COUNTY	\$ 780,516	\$ 764,388	\$ (16,128)
21	MONTANA	PETROLEUM COUNTY	\$ 89,148	\$ 121,569	\$ 32,421
22	MONTANA	PRAIRIE COUNTY	\$ 163,075	\$ 171,060	\$ 7,985
23	MONTANA	CARTER COUNTY	\$ 219,314	\$ 225,441	\$ 6,127
24	MONTANA	GARFIELD COUNTY	\$ 238,819	\$ 248,603	\$ 9,784
25	MONTANA	MCCONE COUNTY	\$ 302,169	\$ 443,064	\$ 140,895
26	MONTANA	MEAGHER COUNTY	\$ 306,475	\$ 424,215	\$ 117,740
27	MONTANA	JUDITH BASIN COUNTY	\$ 342,173	\$ 439,311	\$ 97,138
28	MONTANA	GRANITE COUNTY	\$ 567,035	\$ 574,528	\$ 7,493
29	MONTANA	SWEET GRASS COUNTY	\$ 635,827	\$ 750,969	\$ 115,142
30	MONTANA	PHILLIPS COUNTY	\$ 639,380	\$ 661,538	\$ 22,158
31	MONTANA	MINERAL COUNTY	\$ 721,846	\$ 734,706	\$ 12,860
32	NEBRASKA	THOMAS COUNTY	\$ 130,532	\$ 178,005	\$ 47,473
33	NEBRASKA	SIOUX COUNTY	\$ 226,423	\$ 238,324	\$ 11,901
34	NEVADA	ESMERALDA COUNTY	\$ 144,021	\$ 196,400	\$ 52,379
35	NEVADA	EUREKA COUNTY	\$ 349,478	\$ 450,809	\$ 101,331
36	NEVADA	MINERAL COUNTY	\$ 781,024	\$ 745,569	\$ (35,455)
37	NEW HAMPSHIRE	HARTS LOCATION TOWN	\$ 7,474	\$ 10,193	\$ 2,719
38	NEW HAMPSHIRE	ELLSWORTH TOWN	\$ 15,679	\$ 21,381	\$ 5,702
39	NEW HAMPSHIRE	WATERVILLE VALLEY	\$ 44,664	\$ 60,909	\$ 16,245
40	NEW HAMPSHIRE	CHATHAM TOWN	\$ 62,530	\$ 78,280	\$ 15,750
41	NEW MEXICO	HARDING COUNTY	\$ 116,768	\$ 160,859	\$ 44,091
42	NEW MEXICO	CATRON COUNTY	\$ 639,528	\$ 775,636	\$ 136,108
43	NEW MEXICO	HIDALGO COUNTY	\$ 739,903	\$ 731,249	\$ (8,654)
44	OREGON	WHEELER COUNTY	\$ 213,405	\$ 216,990	\$ 3,585
45	SOUTH DAKOTA	HARDING COUNTY	\$ 230,065	\$ 245,683	\$ 15,618
46	TEXAS	KENEDY COUNTY	\$ 73,652	\$ 100,437	\$ 26,785
47	UTAH	DAGGETT COUNTY	\$ 192,793	\$ 241,775	\$ 48,982
48	UTAH	PIUTE COUNTY	\$ 267,261	\$ 248,602	\$ (18,659)
49	UTAH	RICH COUNTY	\$ 422,767	\$ 450,805	\$ 28,038
50	UTAH	WAYNE COUNTY	\$ 492,589	\$ 613,577	\$ 120,988
51	VERMONT	SEARSBURG TOWN	\$ 19,507	\$ 20,870	\$ 1,363
52	VERMONT	STRATTON TOWN	\$ 37,555	\$ 48,750	\$ 11,195
53	VERMONT	MOUNT TABOR TOWN	\$ 46,853	\$ 63,893	\$ 17,040
	<b>TOTAL</b>		<b>\$ 16,845,018</b>	<b>\$ 19,137,434</b>	<b>\$ 2,292,416</b>

**Estimated 2019 Impacts of S.2108**

	STATE	COUNTY	2019 ACTUAL PILT PAYMENT	2019 PAYMENT CALCULATED USING ALT POP VALUES	DELTA
1	ALASKA	YAKUTAT BOROUGH	\$ 112,783	\$ 153,795	\$ 41,012
2	ALASKA	BRISTOL BAY BOROUGH	\$ 161,625	\$ 174,723	\$ 13,098
3	ALASKA	MUNICIPALITY-SKAGWAY	\$ 197,075	\$ 235,595	\$ 38,520
4	ALASKA	LAKE & PENINSULA BOROUGH	\$ 301,997	\$ 460,968	\$ 158,971
5	ALASKA	DENALI BOROUGH	\$ 386,630	\$ 460,968	\$ 74,338
6	ALASKA	HOONAH-ANGOON CENSUS AREA	\$ 399,866	\$ 460,968	\$ 61,102
7	ALASKA	WRANGELL BOROUGH	\$ 469,960	\$ 622,626	\$ 152,666
8	ALASKA	PETERSBURG BOROUGH	\$ 611,637	\$ 635,515	\$ 23,878
9	ALASKA	ALEUTIANS EAST BOROUGH	\$ 628,228	\$ 635,515	\$ 7,287
10	CALIFORNIA	SIERRA COUNTY	\$ 220,838	\$ 297,286	\$ 76,448
11	COLORADO	SAN JUAN COUNTY	\$ 92,679	\$ 141,148	\$ 48,469
12	COLORADO	MINERAL COUNTY	\$ 142,796	\$ 194,721	\$ 51,925
13	COLORADO	HINSDALE COUNTY	\$ 148,116	\$ 201,940	\$ 53,824
14	IDAHO	CLARK COUNTY	\$ 162,743	\$ 221,922	\$ 59,179
15	IDAHO	BUTTE COUNTY	\$ 348,666	\$ 474,829	\$ 126,163
16	IDAHO	ADAMS COUNTY	\$ 339,795	\$ 359,836	\$ 20,041
17	IDAHO	CUSTER COUNTY	\$ 777,735	\$ 793,115	\$ 15,380
18	IDAHO	ONEIDA COUNTY	\$ 753,803	\$ 721,647	\$ (32,156)
19	MONTANA	PETROLEUM COUNTY	\$ 97,497	\$ 130,566	\$ 33,069
20	MONTANA	PRAIRIE COUNTY	\$ 167,372	\$ 175,354	\$ 7,982
21	MONTANA	CARTER COUNTY	\$ 227,802	\$ 231,379	\$ 3,577
22	MONTANA	GARFIELD COUNTY	\$ 241,038	\$ 254,206	\$ 13,168
23	MONTANA	MCCONE COUNTY	\$ 314,296	\$ 454,999	\$ 140,703
24	MONTANA	MEAGHER COUNTY	\$ 189,886	\$ 233,877	\$ 43,991
25	MONTANA	JUDITH BASIN COUNTY	\$ 272,173	\$ 367,577	\$ 95,404
26	MONTANA	SWEET GRASS COUNTY	\$ 584,107	\$ 689,153	\$ 105,046
27	NEBRASKA	THOMAS COUNTY	\$ 108,539	\$ 157,686	\$ 49,147
28	NEBRASKA	SIOUX COUNTY	\$ 223,615	\$ 242,962	\$ 19,347
29	NEVADA	ESMERALDA COUNTY	\$ 158,455	\$ 216,075	\$ 57,620
30	NEVADA	EUREKA COUNTY	\$ 365,565	\$ 460,968	\$ 95,403
31	NEW HAMPSHIRE	HARTS LOCATION TOWN	\$ 7,643	\$ 10,422	\$ 2,779
32	NEW HAMPSHIRE	ELLSWORTH TOWN	\$ 16,032	\$ 21,861	\$ 5,829
33	NEW HAMPSHIRE	WATERVILLE VALLEY	\$ 45,299	\$ 61,772	\$ 16,473
34	NEW HAMPSHIRE	CHATHAM TOWN	\$ 65,806	\$ 80,014	\$ 14,208
35	NEW MEXICO	HARDING COUNTY	\$ 124,430	\$ 171,339	\$ 46,909
36	NEW MEXICO	CATRON COUNTY	\$ 668,681	\$ 793,115	\$ 124,434
37	NEW MEXICO	HIDALGO COUNTY	\$ 726,661	\$ 717,247	\$ (9,414)
38	OREGON	WHEELER COUNTY	\$ 215,244	\$ 216,481	\$ 1,237
39	SOUTH DAKOTA	HARDING COUNTY	\$ 209,647	\$ 232,322	\$ 22,675
40	TEXAS	KENEDY COUNTY	\$ 77,737	\$ 106,004	\$ 28,267
41	UTAH	PIUTE COUNTY	\$ 242,617	\$ 232,110	\$ (10,507)
42	UTAH	RICH COUNTY	\$ 445,725	\$ 460,968	\$ 15,243
43	UTAH	WAYNE COUNTY	\$ 506,870	\$ 529,394	\$ 22,524
44	VERMONT	SEARSBURG TOWN	\$ 20,133	\$ 21,332	\$ 1,199
45	VERMONT	STRATTON TOWN	\$ 37,656	\$ 49,830	\$ 12,174
46	VERMONT	MOUNT TABOR TOWN	\$ 48,282	\$ 65,840	\$ 17,558
	<b>TOTAL</b>		<b>\$ 12,665,780</b>	<b>\$ 14,631,970</b>	<b>\$ 1,966,190</b>

Estimated 2019 Impacts of S.2108

	STATE	COUNTY	2019 ACTUAL PILT PAYMENT	2019 PAYMENT CALCULATED USING ALT POP VALUES	DELTA
1	ALASKA	YAKUTAT BOROUGH	\$ 112,783	\$ 153,795	\$ 41,012
2	ALASKA	BRISTOL BAY BOROUGH	\$ 161,625	\$ 174,723	\$ 13,098
3	ALASKA	MUNICIPALITY-SKAGWAY	\$ 197,075	\$ 235,595	\$ 38,520
4	ALASKA	LAKE & PENINSULA BOROUGH	\$ 301,997	\$ 460,968	\$ 158,971
5	ALASKA	DENALI BOROUGH	\$ 386,630	\$ 460,968	\$ 74,338
6	ALASKA	HOONAH-ANGOON CENSUS AREA	\$ 399,866	\$ 460,968	\$ 61,102
7	ALASKA	WRANGELL BOROUGH	\$ 469,960	\$ 622,626	\$ 152,666
8	ALASKA	PETERSBURG BOROUGH	\$ 611,637	\$ 635,515	\$ 23,878
9	ALASKA	ALEUTIANS EAST BOROUGH	\$ 628,228	\$ 635,515	\$ 7,287
10	CALIFORNIA	SIERRA COUNTY	\$ 220,838	\$ 297,286	\$ 76,448
11	COLORADO	SAN JUAN COUNTY	\$ 92,679	\$ 141,148	\$ 48,469
12	COLORADO	MINERAL COUNTY	\$ 142,796	\$ 194,721	\$ 51,925
13	COLORADO	HINSDALE COUNTY	\$ 148,116	\$ 201,940	\$ 53,824
14	IDAHO	CLARK COUNTY	\$ 162,743	\$ 221,922	\$ 59,179
15	IDAHO	BUTTE COUNTY	\$ 348,666	\$ 474,829	\$ 126,163
16	IDAHO	ADAMS COUNTY	\$ 339,795	\$ 359,836	\$ 20,041
17	IDAHO	CUSTER COUNTY	\$ 777,735	\$ 793,115	\$ 15,380
18	IDAHO	ONEIDA COUNTY	\$ 753,803	\$ 721,647	\$ (32,156)
19	MONTANA	PETROLEUM COUNTY	\$ 97,497	\$ 130,566	\$ 33,069
20	MONTANA	PRAIRIE COUNTY	\$ 167,372	\$ 175,354	\$ 7,982
21	MONTANA	CARTER COUNTY	\$ 227,802	\$ 231,379	\$ 3,577
22	MONTANA	GARFIELD COUNTY	\$ 241,038	\$ 254,206	\$ 13,168
23	MONTANA	MCCONE COUNTY	\$ 314,296	\$ 454,999	\$ 140,703
24	MONTANA	MEAGHER COUNTY	\$ 189,886	\$ 233,877	\$ 43,991
25	MONTANA	JUDITH BASIN COUNTY	\$ 272,173	\$ 367,577	\$ 95,404
26	MONTANA	SWEET GRASS COUNTY	\$ 584,107	\$ 689,153	\$ 105,046
27	NEBRASKA	THOMAS COUNTY	\$ 108,539	\$ 157,686	\$ 49,147
28	NEBRASKA	SIOUX COUNTY	\$ 223,615	\$ 242,962	\$ 19,347
29	NEVADA	ESMERALDA COUNTY	\$ 158,455	\$ 216,075	\$ 57,620
30	NEVADA	EUREKA COUNTY	\$ 365,565	\$ 460,968	\$ 95,403
31	NEW HAMPSHIRE	HARTS LOCATION TOWN	\$ 7,643	\$ 10,422	\$ 2,779
32	NEW HAMPSHIRE	ELLSWORTH TOWN	\$ 16,032	\$ 21,861	\$ 5,829
33	NEW HAMPSHIRE	WATERVILLE VALLEY	\$ 45,299	\$ 61,772	\$ 16,473
34	NEW HAMPSHIRE	CHATHAM TOWN	\$ 65,806	\$ 80,014	\$ 14,208
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46	VERMONT	MOUNT TABOR TOWN	\$ 48,282	\$ 65,840	\$ 17,558
	<b>TOTAL</b>		<b>\$ 12,665,780</b>	<b>\$ 14,631,970</b>	<b>\$ 1,966,190</b>



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

FEB 19 2020

The Honorable Mike Lee  
Chairman  
Subcommittee on Public Lands, Forests and Mining  
Committee on Energy and Natural Resources  
United States Senate  
Washington, D.C. 20510

Dear Chairman Lee:

Enclosed are responses prepared by the Bureau of Land Management to questions for the record submitted following the May 14, 2019, legislative hearing on pending legislation including: S. 499, the *Offshore Wind for Territories Act*; S. 1079, the *Chaco Cultural Heritage Area Protection Act of 2019*, and; S. 1262, the *Oregon Recreation Enhancement Act*.

Thank you for the opportunity to provide this material to the Committee.

Sincerely,

Christopher P. Salotti  
Legislative Counsel  
Office of Congressional and  
Legislative Affairs

Enclosure

cc: The Honorable Ron Wyden, Ranking Member  
Subcommittee on Public Lands, Forests and Mining  
Committee on Energy and Natural Resources

**Questions from Chairman Lisa Murkowski**

**Question 1: S.1262, Oregon Recreation Enhancement Act, would establish two new recreation areas on intermixed O&C lands and public domain forests in western Oregon. These lands are currently within the timber harvest land base established under the 2016 Resource Management Plans. Please provide an analysis of the potential impacts to timber harvest levels (including board feet estimates) expected to result if S. 1262 were enacted.**

**Response:** On average, the BLM is projected to harvest approximately 38.3 million board feet per decade on approximately 1,000 acres per decade from the proposed Molalla Recreation Area over the next 30 years. This volume and acre estimate comes almost entirely from the harvest land base and is a part of the Allowable Sale Quantity (ASQ) calculation for the Salem Sustained Yield Unit (SYU). The actual reduction in timber volume from the Salem SYU is currently unknown as the BLM's Northwest Oregon District may be able to shift the harvest to other locations in the short term. In the long-term, the reduction of 8,833 acres of harvest land base would likely reduce the SYU calculation for the Salem SYU.

On average, over the next three decades the BLM estimates that approximately 26 million board feet per decade will be harvested, on approximately 5,300 acres per decade from the proposed Rogue Canyon Recreation Area. This volume and acre estimate almost entirely comes from the reserve land-use allocations of the BLM's Medford District. The actual reduction in timber volume from the reserve land-use allocation is unknown.

**Question 2: S.1262 allows for wildfire and vegetation management within the two proposed recreation areas to the extent that such activities are consistent with the purposes of the Act. The legislation also restricts the building of new permanent and temporary roads within the recreation areas. What impact could the road building restrictions and the management purposes have on hazardous fuels reduction and wildfire management within the proposed recreation areas?**

**Response:** The lands within the proposed recreation areas are generally part of a fire-prone ecosystem on rugged ground. Vegetation consists of alder and big leaf maple bordering streams, and canyon live oak, ponderosa pine, and Douglas fir covering the steep slopes. As such, any fire that starts within the proposed recreation areas will likely be classified as full suppression because of the potential for the fire to run uphill and up drainages to the boundaries and beyond.

The BLM's 2016 Resource Management Plans (2016 RMPs) provide direction regarding wildfire response and hazardous fuels activities for the lands within the proposed recreation areas, including silvicultural treatments as needed to protect or maintain recreation setting characteristics or to achieve recreation objectives. Given the size of the proposed recreation areas and the resulting impacts to the timber harvest land base established in the 2016 RMPs, the BLM would likely need to complete a plan amendment.

The Department notes that S. 1262 would not preclude hazardous fuels reduction treatments within the proposed recreation areas. However, treatments could not include construction of new permanent or

temporary roads—unless necessary for public safety—nor could they damage or degrade the purposes for which the areas would be established. S. 1262 allows for repair and maintenance of existing roads; therefore, proximity to existing roadways would be critical in determining the ability to conduct hazardous fuels reduction treatments. The BLM would need additional time to determine how much of the proposed recreation area could be treated from the existing roads.

**Question 3: S.1262, designates and expands wilderness. Please explain the BLM’s approach to managing wildfires within a wilderness area and how it differs from how fire is managed on non-wilderness lands.**

**Response:** Section 4(d)(1) of the Wilderness Act states that “such measure[s] may be taken as may be necessary in the control of fire, insects, and diseases, subject to such conditions as the Secretary deems desirable.” The management response to a wildfire within a wilderness may vary along a continuum from monitoring to suppression according to objectives outlined in the applicable Resource Management Plan, Wilderness Management Plan, or Fire Management Plan. The management response to a fire can change due to variations in weather, topography, fuels, and resources available. Consistent with BLM policy, all fires in wilderness are managed to provide for the safety of firefighters, the public, and the protection of property. Further, to the extent possible, wildfires:

- Are managed to play their natural role in the ecosystem, so as to provide the benefits of an untrammeled ecosystem including habitat maintenance and fuel reduction in ecosystems adapted to fire.
- When suppressed, are managed using minimum impact suppression techniques, where feasible, without equipment prohibited by Section 4(c) of the Wilderness Act, while providing for the safety of firefighters and the public and meeting fire management objectives.
- Have a resource advisor with knowledge and experience in wilderness stewardship assigned to the firefighting team to assist in the protection of wilderness character.

The BLM notes that historical caution regarding fuels treatments in wilderness and WSAs has created significant fuel loads; however, fuel treatment is allowed in wilderness to restore areas to a natural fire regime. Repeated low intensity prescribed fires are preferable where fuel treatment is contemplated. In rare circumstances fuel pretreatments by mechanical or chemical methods may be permitted when fire without these pretreatments will inevitably cause unacceptable risks to life, property, or wilderness character (including cultural resources). The ultimate goal of fuel treatment is to make the ecosystem compatible with natural fire resuming its natural role in the ecosystem, while continuing to provide for the safety of firefighters, the public, and the protection of property. A wider variety of projects to reduce hazardous fuel build up, including commercial harvest or construction of permanent mechanized fire containment lines, are available in non-wilderness lands.

**Question 4: S.1079 would designate 909,000 acres (10 miles) as a protection zone around Chaco Culture National Historical Park. It is my understanding that this “protection zone” is a fractured**

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**landscape that includes lands and minerals owned by the federal government, private landowners, the state, the Navajo Nation and Indian allottees. Please provide a breakdown of land and mineral ownership within the protection zone, including the number of Indian allottees.**

**Response:** The requested breakdown is as follows:

Chaco Cultural heritage Withdrawal Area, as depicted on the map dated April 2, 2019

- Total surface acreage: 949,941
  - Bureau of Land Management - 166,312 acres
  - Indian/Tribal Land - 660,864 acres
  - National Park Service - 34,344 acres
  - State Land - 52,423 acres
  - Private Land - 35,998 acres
- Federal subsurface
  - All Minerals - 325,075 acres
  - Coal Only - 3,344 acres
  - Oil, Gas and Coal Only - 2,119 acres
  - Oil and Gas Only - 727 acres
  - Other Minerals - 2,562 acres
  - No Minerals - 616,114 acres

Indian Allottees: 1,205

**Question 5: What role, if any, does the Department of the Interior currently have regarding oil and gas development on Indian allotments and on Navajo Nation lands in the Greater Chaco Region? What impact would the Chaco protection zone proposed under S. 1079 have on access and development of oil and gas on Indian allotments and Navajo Nation land in the area? Would there be any effects on horizontal drilling from these lands? Please explain.**

**Response:** Per DOI Onshore Energy and Minerals Lease Management Interagency Standard Operating Procedures, the Bureau of Indian Affairs (BIA), through the Federal Indian Minerals Office (FIMO) in Farmington, NM, takes on the following responsibilities:

- Verifying land ownership status for Trust properties, including allotted Lands,
- Leasing of the fluid minerals,
- Finalizing Communitization Agreement reviews,
- Providing Rights of Way, and
- Resolving Probate issues.

The BLM is responsible for:

- Preparing Environmental Assessments in conjunction with BIA and FIMO for NEPA compliance,



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- Reviewing Applications for Permit to Drill (APDs) to protect well bore integrity and preventing the risk of any downhole contamination,
- Inspection and enforcement activities to ensure compliance with the Onshore Orders,
- Active involvement in the drilling and completion stages of well development, and
- Training and overseeing the Navajo Nation's Inspection and Enforcement program through its Minerals program (under an Agreement with the Navajo Nation).

S. 1079 does not prohibit development of oil and gas on tribal lands. However, by withdrawing the Federal Mineral Estate, there is the possibility that a small portion of Indian Trust Lands and Indian Allotted Lands may be undevelopable. For instance, some of the parcels may be too small to be developed without the inclusion of Federal minerals in a unit. Further, Indian Trust Lands isolated by withdrawn Federal lands may not be possible to access. The current horizontal drilling range is approximately 2.5 miles. If Indian Trust Lands are isolated by greater than 2.5 miles of withdrawn Federal lands, current drilling technology would not be able to successfully traverse the withdrawn Federal lands to access resources on Tribal Lands. In these cases, vertical drilling could be used to access the resources. However, because drilling horizontally, parallel to the geologic layers in tight formations, allows producers to access more of the oil- and natural gas-bearing rock than drilling vertically, some operators are reluctant to drill vertical wells for economic reasons. Please note that the BLM only manages approximately 17.5 percent of the lands in the withdrawal area, and the vast majority of the remaining lands are held in trust.

**Question 6: In the Department's testimony on S.499, the Department expresses concerns over the revenue distribution structure. How much money do you estimate has been allocated to U.S. territories under the existing Coral Reef Conservation Act in recent years?**

**Response:** The Department is not currently authorized to carry out coral-related activities under the Coral Reef Conservation Act (CRCA). The CRCA is the authorizing legislation for the National Oceanic and Atmospheric Administration's Coral Reef Conservation Program.

**Questions from Senator Ron Wyden**

**Question 1: Senator Lee mentioned that my bill, S. 1262 the Oregon Recreation Enhancement Act, would create two new “roadless recreation areas.” Would my bill, as written, close any roads or prevent the maintenance of existing roads?**

**Response:** S. 1262 would establish the Rogue Canyon and Molalla Recreation Areas on nearly 128,000 acres of intermixed O&C lands and public domain forests in western Oregon and provides guidance for the management of each area. The bill does not contain language requiring the closure of existing roads within either area. S. 1262 does prohibit the construction of new permanent or temporary roads within either area.

**Question 2: How many individual roads currently exist within the boundaries of each recreation area S. 1262 would establish? How many miles of roads?**

**Response:** Approximately 25,204 acres of the approximately 29,884 total BLM acres of the proposed Molalla Recreation Area are included in reciprocal ROW agreements with adjacent private land owners, which are valid existing rights to use BLM roads for access to their lands and commercial use, including new road construction. Within this area, there are 175 miles of BLM roads, 2.2 miles of Marion County roads, 6.9 miles of private roads, 0.1 miles of Oregon Department of Forestry roads. Weyerhaeuser Company has been granted perpetual road use rights for commercial log hauling on most of the road miles inside the proposed area. Hardy Timber Company, Avison Lumber Company, Weyerhaeuser Columbia Timberlands, Port Blakely Tree Farm, Doubletrees Land & Timber LLC, and several other small private land in-holdings all use these existing BLM roads for access and for commercial haul from their lands.

Approximately 73,591 acres of the approximately 98,317 total BLM acres of the proposed Rogue Canyon Recreation Area are included in reciprocal ROW agreements with adjacent private landowners, which are valid existing rights to use BLM roads for access to their lands for commercial use, including new road construction. Within this area, there are 453 miles of BLM roads, 2 miles of roads held by another agency, and 18 miles of private roads. The BLM would need additional time to determine the holder of an additional 57 miles of roads.

Approximately 22,827 acres of the approximately 59,487 total BLM acres of the proposed addition to the Wild Rogue Wilderness Canyon Recreation Area are included in reciprocal ROW agreements with adjacent private landowners, which are valid existing rights to use BLM roads for access to their lands for commercial use, including new road construction. Within this area, there are 11 miles of BLM roads. The BLM would need additional time to determine the holder of an additional 4 miles of roads.

**Question 3: You mention that the BLM is currently working on an economic analysis of S. 1262. Please outline what specific steps the BLM has taken, is taking, or will undertake to complete the economic impact analysis of the Oregon Recreation Enhancement Act. Specifically what sectors of the economy the BLM is analyzing.**

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**Response:** The Department expects that enactment of the legislation would result in a number of additional administrative costs to the BLM, including the completion of boundary surveys and the preparation, implementation, and monitoring of area-specific management plans. Given the size of the proposed recreation areas and the resulting impacts to the timber harvest land base established in the 2016 RMPs, the BLM may be required to complete a plan amendment.

During the summer of 2018, the BLM estimated the potential impacts to timber production associated with the proposed designations, in terms of acreage, volume, treatments, and revenue, which were included in S. 1548 from the 115th Congress.

Currently, there are approximately 54 “unique” and active mining claims within the proposed wilderness boundary. “Unique” in this context means that the BLM has not counted the same claim more than once, even though it may be located within two different sections. There are at least 150 rights-of-ways or easements within the proposed areas, although a more exhaustive search would likely result in a larger number.

**Question 4:** You mention that each of the recreation areas, if designated, would “limit access to trailheads and scenic areas.” How is that possible? As written, does the creation of the recreation areas in S. 1262 close any particular trails? Why does the BLM feel that the designation of a recreation area actually limits recreation in that area?

**Response:** S. 1262 charges the BLM with managing the recreation areas for the purpose of “protecting, conserving, and enhancing the unique and nationally important recreational, ecological, scenic, cultural, watershed, and fish and wildlife values of the areas.” As part of the land use planning process, the BLM may determine that the construction of additional trails would enhance the recreational opportunities within the areas. S. 1262 also provides that, “no new permanent or temporary roads shall be constructed (other than the repair and maintenance of existing roads) within a recreation area designated” with exceptions only for public safety and wildfire mitigation. The BLM interprets this language of the bill as effectively imposing a prohibition on the construction of new or temporary roads, which could limit the areas where new trails could be developed.

**Question 5:** Please give me specific examples of current and existing trailheads that the designation of the Rogue Canyon and Molalla Recreation Areas would prohibit or prevent access to?

**Response:** S. 1262 would likely limit the BLM’s ability to provide new access roads to existing trailheads and scenic opportunities. As part of the land use planning process, the BLM may determine that the construction of new roads are necessary to avoid conflicts between existing access and the objectives identified for protection in S. 1262.

**Question 6:** During the hearing, you acknowledged flexibility in both the vegetation management language of the recreation areas section and within the mineral withdrawal language, stating that

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**the bill allows for both wildfire treatment and allows access to mining for those with valid and existing rights. Please confirm in writing that, as written, S. 1262 allows for such flexibility.**

**Response:** S. 1262 does not preclude the BLM from conducting vegetation management projects, wildfire resiliency projects, and forest health projects within the proposed recreation areas, to the extent that these projects are consistent with the purposes of the recreation areas. However, treatments may be limited by the preclusion of the construction of new permanent or temporary roads—unless necessary for public safety. S. 1262 allows for repair and maintenance of existing roads; therefore, proximity to existing roadways would be critical in determining the ability to conduct hazardous fuels reduction treatments. The BLM would need additional time to determine how much of the proposed recreation area could be treated from the existing roads.



# United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

FEB 18 2020

The Honorable Lisa Murkowski  
Chairman  
Committee on Energy and Natural Resources  
United States Senate  
Washington, D.C. 20510

Dear Chairman Murkowski:

Enclosed are responses prepared by the Department to questions for the record submitted following the May 5, 2019, legislative hearing to consider S. 1317, the *American Mineral Security Act*.

Thank you for the opportunity to provide this material to the Committee.

Sincerely,

Christopher P. Salotti  
Legislative Counsel  
Office of Congressional and  
Legislative Affairs

Enclosure

cc: The Honorable Joe Manchin III, Ranking Member  
Committee on Energy and Natural Resources

**Questions from Chairman Lisa Murkowski**

**Question 1: At the conclusion of the hearing, I expressed the hope that the Department of Energy and the Department of the Interior were “working aggressively” and coordinating with the Department of Commerce on the broader strategy. You replied affirmatively when I asked whether this “level of coordination” was occurring.**

**(a) To your knowledge, is there an existing Policy Coordination Committee (PCC) dedicated to critical minerals, including the coordination of interagency efforts to reduce reliance on foreign sources?**

**Response:** Federal activities related to critical minerals are coordinated via the National Science and Technology Council’s (NSTC) Committee on Homeland and National Security’s (CHNS) Critical Minerals Subcommittee. The purpose of the subcommittee is to coordinate interagency efforts to ensure that the United States has a secure and reliable supply of critical minerals.

**(b) If so, how many times and when has that PCC convened, and which departments and agencies participate in this process?**

**Response:** The panel meets bimonthly. The following National Science and Technology Council (NSTC) departments and agencies are represented on the subcommittee:

- Department of Agriculture
- Department of Commerce
- Department of Defense
- Department of Education
- Department of Energy (Co-Chair)
- Department of Homeland Security
- Department of the Interior (Co-Chair)
- Department of Labor
- Department of State
- Department of Transportation
- Environmental Protection Agency
- National Aeronautics and Space Administration
- National Science Foundation
- U.S. International Development Finance Corporation

The following organizations from the Executive Office of the President are also represented on the subcommittee:

- Office of Management and Budget
- Office of Science and Technology Policy (Co-Chair)

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***Pending Legislation***  
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**Question 2: During the period 2004-2014, the U.S. Geological Survey (USGS) published a number of research products focused on Afghanistan's natural resources. This project included the release of dozens of hyperspectral, geologic, and topographic maps, as well as summaries of areas of interest for particular minerals and much else.**

**(a) Since 2001, how many times have USGS personnel deployed to Afghanistan on official geological work (i.e., not as part of the Reserves or National Guard)? How many times since January 20, 2017?**

**Response:** Approximately 245 individual trips to Afghanistan were made by various USGS scientists prior to Jan 20, 2017. Since Jan 20, 2017 there have been 11 individual trips by USGS scientists.

**(b) How many USGS personnel have deployed to Afghanistan to support this work? How many personnel since January 20, 2017?**

**Response:** Approximately 39 USGS scientists travelled to Afghanistan prior to Jan 20, 2017. Since Jan 20, 2017, 6 USGS scientists have travelled to Afghanistan.

**(c) How many times have USGS personnel deployed in the field (e.g., by helicopter) to conduct geological surveys in Afghanistan? How many times since January 20, 2017?**

**Response:** There were approximately 83 trips where USGS scientists deployed to the field (all by helicopter) prior to Jan 20, 2017. No USGS scientists have deployed to the field after Jan 20, 2017.

**(d) What was the collected mineral resource data used for, if anything, in Afghanistan? How has it been used since January 20, 2017?**

**Response:** More than 350 reports, maps, and databases were produced by the USGS covering Afghanistan. Those products have had many uses including the following brief summary:

- Development and planning of critical infrastructure - USGS data were used in the planning and construction of the country's roads, cell towers, airports, and railroads.
- Specific mineral data were used for tendering and leasing mineral and oil and gas tracts throughout the country.
- Planning for water resource needs, such as recharge of the Kabul Basin, and locating dams for power, irrigation, and flood control.

The uses of these data and products have been increasing over time and it is difficult to ascribe these activities to a pre- or post-Jan 20, 2017 timeframe.

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**(e) Overall, how much money was spent directly by the U.S. Geological Survey and the broader Department of the Interior (or reimbursed by another department or agency) on surveying Afghanistan's minerals? How much money has been spent since January 20, 2017?**

**Response:** The USGS spent approximately \$76.86 million pre-Jan 20, 2017 and \$4.5 million after Jan 20, 2017. All USGS Afghanistan project funds were reimbursed by the Department of Defense, the U.S. Agency for International Development (USAID), the U.S. Trade and Development Agency (USTDA), and the Afghan government.

**Question 3: As we discussed during the hearing, S. 1317 directs additional geographic mapping to ensure that we understand the location and potential for development of critical minerals. Once that mapping has occurred, how would the results be incorporated into the Department's land use plans and what more can be done administratively or in legislation to ensure the most current data about critical mineral potential and production is utilized to update and modify existing land use plans?**

**Response:** The Bureau of Land Management (BLM) land use planning process requires that the agency follow all of the requirements of the Federal Land Policy and Management Act (FLPMA) and the National Environmental Policy Act (NEPA). Additional mapping called for in the legislation will allow the BLM to better respond to specific challenges such as reducing the risk of wildfire and locating natural resources, including critical minerals, for development on public lands. The BLM utilizes all relevant available data in the land use planning process; however, critical minerals have not yet been mapped, and therefore cannot inform the process. When developed, new information about critical minerals will assist the BLM in amending its existing land use plans in order to adequately address access to those minerals. The BLM may also use the results of the mapping effort to perform plan maintenance, an action that reflects minor changes in data but does not expand decisions in the approved land use plan.

**Question 4: As the United States looks at mineral resources, has Interior conducted an assessment of hardrock minerals in our Extended Continental Shelf? How does our status as a non-Party to the Convention on the Law of the Sea impact our ability to claim these resources?**

**Response:** The US Extended Continental Shelf (ECS) and Exclusive Economic Zone (EEZ) have only been assessed at a speculative level for hard mineral and critical mineral resource. The USGS has identified 'permissive regions' that are likely to contain deposits of hard-rock and critical mineral bearing material in both the EEZ and ECS. Two regions of special interest are the ECS off of the Commonwealth of Northern Mariana Islands, and the Arctic ECS extending



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into the Chukchi Sea. Both of these identified regions require extensive mapping to determine the scope and resource potential of the inferred mineral deposits.

As a non-party to the United Nations' Convention on the Law of the Sea, the United States is unable to submit claims regarding our ECS to the Commission on the Limits of the Continental Shelf. Further discussion regarding the legal status of the United States ECS can be addressed to the Department of State U.S. Extended Continental Shelf Task Force.

**Questions from Ranking Member Joe Manchin III**

**Question 1: Disruptions in supply chains can occur for a variety of reasons, and some of them we can control better than others. When the USGS developed its critical minerals list, supply chain considerations were utilized in the selection process. Meaning a commodity was determined to be critical if any step in its supply chain was considered to be problematic and vulnerable to a disruption. I understand the segments of a commodity supply chain vary from mineral to mineral, but can you please tell me which phase of the supply chain you think is most problematic - extraction, processing, components, or end-use applications?**

**Response:** As might be expected, the answer varies by commodity. For some commodities, for example tantalum, there is simply a lack of domestic geological resources. For others, including several byproduct metals, there is a lack of domestic processing (i.e., the commodity is extracted domestically but sent abroad for processing). For others still, including the rare earths, the entire supply chain from mining through the manufacturing of components is dominated by a single foreign country. For any given commodity, understanding which stage of the supply chain is most problematic is crucial to determining which strategy will likely be most effective at reducing the risk of a supply disruption.

**Question 2: I understand many of the critical minerals listed by USGS are recovered as byproducts during the processing, smelting, or refining of a host metal. This means that the availability of these “companion” metals is largely at the whim of the “host metal.” This introduces an additional dynamic, where companion metals are not able to respond to changes in demand because the production of the companion metal depends on the production of the host metal. Whether or not a metal is capable of being obtained largely or entirely as a byproduct from a host product varies from metal to metal. Some host products yield higher concentrations and higher recovery rates of companion metals than others. This impacts whether or not companion metals will be processed or simply discarded. If the costs of recovering a companion metal is more than it costs to process, it makes financial sense for an operator to simply discard it in its mill tailings.**

**How is a companion metal defined? Is it on the basis of its revenue contribution to a host metal, and how does that impact whether a metal will be considered a by-product or a coproduct?**

**Response:** A companion metal is simply a metal that is present in the ore along with the primary metal, such as molybdenum in porphyry copper ore. The companion could be termed a “byproduct”, recovered if market economics at that time warrant, or a “coproduct” where the

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*Pending Legislation*  
**May 14, 2019**

companion metal must be recovered along with the primary metal for the mine to operate economically.

**Question 3: As we examine different proposals to reduce our net import reliance on critical minerals, I think it is import to note there is a difference between import reliance and import vulnerability. What is the amount of critical minerals we need to domestically produce in order to no longer be considered vulnerable?**

**Response:** The vulnerability portion of the criticality assessment focused on mineral commodities for which the U.S. was greater than 50% net import reliant. However the ability to source critical minerals from reliable, friendly trade partners allows a higher ratio to be accepted (such as potash from Canada). Also, the end use application for that critical mineral might require a larger or smaller quantity and thus could alter the acceptable ratio. Those determinations could be made on a case-by-case basis by national security partners like Defense Logistics Agency - Strategic Materials in their scenario analyses.



# United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

FEB 11 2020

The Honorable John Hoeven  
Chairman, Committee on Indian Affairs  
United States Senate  
Washington, DC 20510

Dear Chairman Hoeven:

Enclosed are responses to the follow-up questions from the November 6, 2019, oversight hearing entitled "Examining the 477 Program: Reducing Red Tape While Promoting Employment and Training Opportunities in Indian Country" before your Committee. These responses were prepared by the Bureau of Indian Affairs.

Thank you for the opportunity to respond to you on this matter.

Sincerely,

Christopher P. Salotti  
Legislative Counsel  
Office of Congressional and  
Legislative Affairs

Enclosure

cc: The Honorable Tom Udall  
Vice Chairman

Questions for the Record  
Senate Committee on Indian Affairs  
Oversight Hearing “Examining the 477 Program: Reducing Red Tape While  
Promoting Employment and Training Opportunities in Indian Country”  
November 6, 2019

**Questions from Chairman John Hoeven**

**The Senate Committee on Indian Affairs worked to amend Public Law 102-477-“the 477 program” to increase employment opportunities in tribal communities through enabling greater tribal self-determination and decreasing unnecessary federal bureaucracy. In 2017, based on the success of the 477 program and with tribal support, the amendments were passed by Congress and signed into law. These 2017 amendments expand the 477 program to 12 federal departments, clarified program and funding eligibility, reaffirmed BIA as the lead agency in operating the 477 program, and charged the Secretary of the Interior in conjunction with the heads of the other participating federal departments to enter into a memorandum of agreement (MOA) providing for the implementation of the law. At the hearing, the Committee heard from tribal leaders and the chairwoman of the P.L. 477 workgroup regarding Indian Country’s concern over the MOA and its misapplication of the law.**

**Question 1: Will the Department of the Interior commit to re-working the inter-departmental MOA so that it accurately reflects the law?**

**Response:** The Department believes that the MOA complies with the law. As with any program, we continually evaluate whether we can make improvements, and the 477 program is no exception. The Department and the other Federal partners are still in the process of implementing the 477 program, consistent with the statute and the MOA. Accordingly, when appropriate, part of the Department’s evaluation efforts will include initiating tribal consultation to solicit input from Indian Country regarding implementation of the 477 program, including input concerning the language intent of the law.

**Question 2: What actions has the Department of the Interior taken to ensure the MOA will be re-worked?**

**Response:** The Department and the other Federal partners are still in the process of implementing the 477 program, consistent with the statute and the MOA. As noted above, when appropriate, the Department will initiate tribal consultation to solicit input from Indian Country regarding implementation of the 477 program.

**Questions from Vice-Chairman Tom Udall**

**Identifying 477-Eligible Grant Programs**

**Question 1: The departments that participate in 477 do not proactively determine which of their grants will qualify for inclusion, placing the burden of identifying potentially 477-eligible grants on Tribes. In a recent briefing, Department of the Interior (DOI) staff informed Committee staff that they once attempted to compile a list of 477-eligible programs, only to have to idea rejected by the other departments.**

- a. **Please describe any attempts by the Department to compile a list of 477-eligible programs and, if the Department ultimately set aside such an effort, the events that led to the Department halting its efforts.**

**Response:** To clarify the process and discussion surrounding the 477-eligible programs, the Department did not represent that its ideas were rejected by other departments. During the 477 MOA development process, federal partners, including DOI, discussed developing a list of programs that may be eligible for integration into tribal 477 plans. However, at that time, the federal partners agreed that compiling such a list may be perceived by federal agencies and Tribes as all-inclusive, thereby restricting the inclusion of additional programs at points in the future. Yet, as a way to help Tribes identify potential 477 eligible programs, on September 19, 2019, BIA sent a spreadsheet of programs that had been identified by tribes for potential inclusion in a 477 plan to all of the 477 tribal partners.

- b. **What other actions has DOI taken to reduce the burden of identifying 477-eligible grants on Tribes?**

**Response:** The Act does not require that DOI carry the administrative burden of identifying 477-eligible grants for Tribes across the federal government. Instead, our efforts have focused on administering the 477 program on behalf of the federal partners. DOI and its federal partners have been, and continue to be, open to hearing tribal views about additional programs that may be eligible for inclusion in the 477 program.

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**Question from Senator Catherine Cortez Masto**

**Duckwater Shoshone Issue**

**In accordance with the Nevada Native Nations Land Act the BLM Nevada state office is currently developing a survey to define new boundaries for the Duckwater Shoshone Tribe in Nevada. Pursuant to this law, the survey was to be completed within 6 months of enactment (April 2017). However, the BLM has missed this federal statutory deadline by more than 2.5 years. The BLM has also not responded to the tribe’s meeting requests to begin negotiations on a self-governance compact.**

**Question 1: Can the BIA please work with the tribe and their agency counterparts at BLM to ensure this issue is resolved in a timely manner, and provide an update to my office?**

**Response:** The Department is committed to working with the Duckwater Shoshone Tribe on completing the boundary survey as required by the Nevada Native Nations Land Act (P.L. 114-232). While the land was conveyed immediately by the law, the BLM continues to work with BIA on finishing the boundary survey. The BLM is in the final stages of completing the required survey. Additionally, the BLM has been working with the tribe on a self-governance compact for grazing. The BLM last held a meeting with the tribe in April, 2019, and continues to work with the tribe going forward on grazing and range management issues.

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### **Questions from Senator Tina Smith**

**The Senate Committee on Indian Affairs worked to amend the Public Law 102-477- the “477” program- to strengthen tribal self-determination and support economic development on tribal lands. Those amendments, which were signed into law in 2017, intend to give tribal governments better control of how funding is used. I’m concerned by reports that federal agencies, particularly the U.S. Department of Health and Human Services (HHS), are not carrying out these amendments as intended.**

**Question 1: If an Indian tribe proposes in its 477 plan to spend some of its workforce development program funding on a jobs-related native language and cultural component, do you agree that the statute, as amended, requires the federal government to approve the tribe’s plan?**

**Response:** The intent of the 477 program is for DOI to administer it on behalf of federal partners. Pursuant to that purpose, the MOA prescribes the process for evaluating and acting upon Tribes’ proposed 477 plans.

**Question 2: Do you agree that the mandatory waiver authority in 25 USC 3406 means HHS must identify and grant any requested waiver that is “necessary to enable the Indian tribe to efficiently implement the [tribe’s 477] plan” so long as the waiver is not inconsistent either with (a) the purposes of 477 or (b) a statute that is specifically applicable to Indians and not a statute of general applicability?**

**Response:** 25 U.S.C. § 3406(d)(2) provides that a waiver request may only be denied if it is (a) inconsistent with the purposes of the Act, or (b) the provisions of law from which the program included in the plan derives its authority that is specifically applicable to Indians.

**Question 3: What is your view of the purpose of 477?**

*[25 USC 3401: “The purpose of this chapter is to facilitate the ability of Indian tribes ... to integrate the employment, training and related services they provide from diverse Federal sources in order to improve the effectiveness of those services, reduce joblessness in Indian communities, and serve tribally determined goals consistent with the policy of self-determination, while reducing administrative, reporting, and accounting costs.”]*

**Response:** The purpose of Public Law 102-477 is to facilitate the ability of Indian tribes and tribal organizations to integrate the employment, training and related services they provide from diverse Federal sources in order to improve the effectiveness of those services, reduce joblessness in Indian communities, and serve



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tribally determined goals consistent with the policy of self-determination, while reducing administrative, reporting, and accounting costs.

**Question 4: Do you agree that native language training and cultural education activities are services related to job training within the purposes of 477?**

*[25 USC 3404(a)(1)(A)(x): “The programs that may be integrated pursuant to a plan ... shall be only programs implemented for the purpose of ... any services related to the[se] activities [job training, welfare to work and tribal work experience, creating or enhancing employment opportunities, skill development, assisting Indian youth and adults to succeed in the workforce, facilitating the creation of job opportunities].”*

**Response:** Pursuant to the statute, each tribal plan is reviewed by the Department and affected agencies. If a Tribe submits a plan that includes Native language training and cultural education activities, the plan will be reviewed to determine whether such training and activities may be included in a 477 plan.

**Question 5: In your review, does native language skill and cultural knowledge enhance employability in Indian Country?**

**Response:** Depending on labor market opportunities and other factors, language skills and cultural knowledge may enhance employability in any community.

**Question 6: The Mille Lacs Band of Ojibwe in my state has a long and productive history of making maximum use of its 477 authority. The Band is using its TANF funds to help integrate its language and culture into its job training efforts. Do you agree that this approach is precisely what the Band is authorized to do under 25 USC Section 3404(b)?**

**Response:** The Band, like other eligible Tribes and tribal organizations, may seek approval of a 477 plan that incorporates programs that are eligible for inclusion in its 477 program for the purposes stated in 25 U.S.C. § 3404. The Department has worked with HHS and the Band so that the Band’s 477 Master Plan for October 1, 2019, to September 30, 2022, could be approved.



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

FEB 11 2020

The Honorable John Hoeven  
Chairman, Committee on Indian Affairs  
United States Senate  
Washington, DC 20510

Dear Chairman Hoeven:

Enclosed are responses to the follow-up questions from the October 16, 2019, oversight hearing entitled "Lending Opportunities: Opening the Door to Homeownership in Indian Country" before your Committee. These responses were prepared by the Bureau of Indian Affairs.

Thank you for the opportunity to respond to you on this matter.

Sincerely,

Christopher P. Salotti  
Legislative Counsel  
Office of Congressional and  
Legislative Affairs

Enclosure

cc: The Honorable Tom Udall  
Vice Chairman

Questions for the Record

Senate Committee on Indian Affairs

Oversight Hearing on “Lending Opportunities: Opening the Door to Homeownership in Indian Country”

October 16, 2019

### **Questions from Vice Chairman Tom Udall**

#### **Approval of Tribal Leasing Regulations**

**Question 1: Congress passed the Helping Expedite and Advance Tribal Homeownership (HEARTH) Act of 2012 to enhance Tribes’ self-governance over Tribal lands and promote the efficient leasing of those lands for housing and business purposes. To exercise the enhanced authority provided by the HEARTH Act, Tribes must first adopt leasing regulations and submit them for approval to the BIA. According to the BIA’s website, 45 Tribal leasing regulations have been approved by the BIA’s Office of Trust Services since 2013. We understand that only three of the 45 regulations were approved in 2019, and that 26 applications are still awaiting action. What steps are the BIA taking to address this backlog?**

**Response:** BIA is directing additional resources to the program and working to centralize the leasing regulation review process. First, the BIA is working to fill the HEARTH Act coordinator position vacancy. Once the vacancy is filled, the leasing regulation review process will be streamlined from BIA field offices to the central office responsibility to address pending reviews and move them forward for a decision.

#### **Expediting Title Status Reports**

**Question 2: You indicated in your hearing testimony that the BIA is currently developing the Enterprise Land and Resource Data Warehouse to integrate its various business subsystems, including the Trust Asset and Account Management System (TAAMS), into one platform.**

**How do you expect this change to streamline the BIA’s process of issuing Title Status Reports (TSR)? Will it address the reported delays in issuance?**

**Response:** The BIA Enterprise Land and Resource Data Warehouse will allow lenders to check on the status of their mortgage applications and to contact the BIA, improving communication. The TSRs are one of the items required in the mortgage application process. The portal will provide transparency in the issuance process by showing when a TSR request is made and when the certified TSR is received from Land Titles and Records Office.

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Senate Committee on Indian Affairs

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October 16, 2019

### **Questions from Senator Maria Cantwell**

#### **Community Development Financial Institutions**

**Question 1: When the Community Development Financial Institutions (CDFI) Fund was created, CDFIs had limited access to private capital. Over the past two decades, the CDFI industry has matured and extends credit and provide financial services to underserved communities. Despite this record of success, the President’s Budget proposes to eliminate funding for Community Development Financial Institutions (CDFI) Fund discretionary grant and direct loan programs.**

**Nearly \$8.7 million has been awarded to Washington state Native awardees. CDFI investments have also generated \$12 in private capital for every dollar in CDFI grants. CDFIs are an important resource to provide economic development in underserved communities and provides assistance that is leveraged 12 times over.**

**What programs does HUD or the Bureau of Indian Affairs have that provide the same or greater level of support for economic development in these communities?**

**Response:** In 2018, Assistant Secretary – Indian Affairs Tara Sweeney hosted the first ever Indian Affairs-Native CDFI Network roundtable at the Department of the Interior. The Department continues to collaborate with the Native CDFI Network on innovative ways to provide capital access for Native CDFIs and to attract the right types of investments into Indian Country.

Additionally, the Office of the Assistant Secretary – Indian Affairs provides technical assistance and funding that supports economic development for American Indian tribes, communities, and individuals. The Office of Indian Energy and Economic Development (IEED) provides funding opportunities including:

- The Native American Business Development Institute (NABDI) grant program, within the IEED Division of Economic Development - NABDI is designed to help Tribes retain qualified, impartial, third party consultants to conduct feasibility studies on economic development proposals, ideas, and technologies.

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- The Tribal Energy Development Capacity (TEDC) grant program, within the IEED Division of Energy and Mineral Development (DEMD)- TEDC helps Tribes assess, develop, and secure the organizational and technical capacity needed to manage energy resources on Indian land and properly account for resulting energy production and revenues.
- The Energy and Mineral Development Program (EMDP) within the IEED DEMD - The EMDP provides funding for the assessment and marketing of tribal energy and mineral resources.

Questions for the Record

Senate Committee on Indian Affairs

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October 16, 2019

**Questions from Senator Catherine Cortez Masto**

**Question 1: Does the BIA get involved in financing manufactured housing? How do homeowners finance their manufactured home purchase?**

**Response:** The BIA reviews all mortgage applications for compliance with statutes, policies, and regulations.

**Question 2: What policy recommendations for the manufactured housing market should we consider to lower the cost of mortgage for home buyers, especially Native Americans?**

**Response:** Whether the cost of a mortgage may be lowered is within the lender’s discretion.

**Question 3: The Federal Home Loan Bank also has an affordable housing mission. What investments in Native American homeownership has the Federal Home Loan Banks made? Is there a regional Bank that is a leader in serving Native American homebuyers and reservation communities?**

**Response:** We are not aware of a regional bank that is considered a leader in serving Native American homebuyers. However, nationwide lenders most utilized for Native American homebuyers include 1st Tribal Lending and Bank2, particularly for HUD Section 184 home loans.